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U.S. Credibility on Libya Is Damaged By White House Campaign of Deception

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WASHINGTON—The Reagan administration's attempts to use psychological warfare on Libya and then to explain it away have made a shambles of U.S. credibility as it tries to destabilize Libyan leader Moammar Gadhafi and stop Libyan-sponsored terrorism.

By mounting a campaign of deception on Libya, and now, in effect, bragging about their ability to distort the truth to frighten Mr. Gadhafi, Secretary of State George Shultz and other top administration officials have removed world attention from Libya's own actions, even some top administration officials concede. Instead, interest now is focused on whether anyone should believe anything the administration says about Col. Gadhafi.

Two leading senators, speaking on television yesterday, condemned the deception plan and said it hurt U.S. credibility. On the NBC-TV program "Meet the Press," Sen. Sam Nunn (D., Ga.) said, "I do think this one was stupid and that it was carried out in a very inept fashion." He added that "now when we say that Gadhafi is up to something, the American press and perhaps the American people may not believe us anymore."

On the same program, Senate Foreign Relations Committee Chairman Richard Lugar (R., Ind.) said, "I agree with Sen. Nunn that it was just simply stupid to be involved with this type of thing at this point."

Over the weekend, President Reagan and his top aides continued to insist publicly that there wasn't any official policy adopted in August to lie to the U.S. press about Libyan terrorist activities, planned U.S. responses, or Mr. Gadhafi's standing inside his country, as the Washington Post reported in a story last week.

Falsehoods or Exaggerations

But officials were conceding that some falsehoods or exaggerations were being spread overseas and that some of them were passed on to U.S. newspapers, starting with a story in The Wall Street Journal on Aug. 25. The Journal story was strongly confirmed by the White House and repeated in the Post and other news media.

On the ABC-TV program "This Week with David Brinkley," Mr. Shultz yesterday denied the administration deliberately lied to the U.S. press. But he defended again the idea of putting out false information abroad to unnerve Mr. Gadhafi, even if some of that material is also picked up in the U.S. press. "To the extent that we can keep Gadhafi off balance by one means or another, including the possibility that we might make another attack, I think that's good," he said.

FBI Investigation

One senior White House official conceded to the Post and the New York Times that the disclosure of the deception plan, whatever its exact bounds, "hurt the hell out of us" by damaging U.S. credibility.

The official said the Federal Bureau of Investigation had been asked to find out who provided the information for both the Post story on the deception campaign and the Journal's original story, which said the U.S. believed Mr. Gadhafi was stepping up support for terrorism and the U.S. was moving toward a new collision with Libya that might involve several options, including a repeat of last April's U.S. bombing attack.

In a statement, Norman Pearlstine, managing editor of the Journal, said, "It now seems clear that some high administration officials misled us as to the likelihood of employing some of these options. We deplore any such attempt to mislead the Journal and its readers."

He said the Journal remains "convinced" that, as the story reported, the U.S. believed Libya had resumed its support for terrorism, and was considering options to deter the Libyan moves. "We reported this based not on one source, but on information provided by a number of sources here and abroad," the statement said.

In yesterday's editions, the Post reported that the campaign of disinformation and deception had its roots in an Aug. 6 State Department memo. The Post said the memo called for the spreading of false information overseas, partly to encourage "a coup or assassination attempt." The White House told the Post the document had "no standing as administration policy."

Divided Administration

The credibility problems add difficulties to an already divided administration. While some policy makers consider Libya a cancer that must be removed by whatever means are needed, other officials believe that making Libya a high priority only bolsters Col. Gadhafi.

What's more, conflicting opinions about Libyan support for terrorism reflect the difficulties of gathering conclusive evidence. These intelligence problems have been growing recently. For instance, the Libyans, intelligence sources say, have stopped using their Peoples Bureaus as terrorist command posts, and they have stopped issuing the terrorists hand grenades traceable to Tripoli.

By mid-August, intelligence agencies detected the arrival of a Libyan-connected terrorist in West Germany. British officials noticed that a Libyan airliner had made an unscheduled stop to pick up passengers in Cyprus, after an attack on a British base there. And in Togo, a terrorist was caught with a bomb that was similar to those used in Libyan training camps. Funds and people were moving in patterns linked to Libya. But the evidence was circumstantial.

Nevertheless, U.S. officials were concerned enough about the evidence in August to issue three alerts to U.S. embassies and military posts warning of a possible resumption of terrorism, backed by Libya, Syria and Iran. The administration also sent United Nations Ambassador Vernon Walters to Europe with the same message.

Rely on Talk

Because of the disagreements about evidence of terrorism and about the use of military force, the administration has been unable to act decisively. Instead, it has had to rely on talk to unnerve Col. Gadhafi.

The talk, however, has backfired. The damage to the administration's credibility, coupled with the difficulty of finding hard evidence of Libyan sponsorship of specific terrorist acts, will probably make it even harder to get cooperation from already reluctant allies.

For instance, news reports about U.S. policy options, leaked in advance of the Walters mission, effectively scotched any chance of convincing the Europeans of the need for tougher measures, officials say.

Similarly, news reports of a National Security Council staff proposal to encourage the French to move against Libyan forces in Chad, a plan that had been discussed only informally with a few French officials, prompted Paris to reject the idea out-of-hand, senior officials concede.

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